

## **Advisory Committee Meeting**

**October 28, 2005**

### **MEETING MINUTES**

The meeting of the Advisory Committee to the Bureau for Private Postsecondary and Vocational Education (BPPVE) was held in the First Floor Hearing Room of the Department of Consumer Affairs, 400 R Street, Sacramento, California, on October 28, 2005.

#### **Members Present**

Dr. Lolly Horn, Institution Representative  
Mitchell Fuerst, Institution Representative  
Dr. John Bear, Other – Consumer Advocate  
Pastor Herrera, Jr., Student Advocate  
Tom Gilmore, Institution Representative  
Dr. Betty Sundberg, Other – Educational Consultant

#### **Members Not Present**

Jay Achenbach, Institution Representative  
Norma Ford, Institution Representative  
Sal Velasquez, Employer Representative  
Elena Ackel, Student Advocate

#### **BPPVE Staff Present**

Patrick Dorais, BPPVE Deputy Chief  
Kristy Schieldge, DCA Legal Counsel  
Jeanne Ireland, BPPVE Regulations Coordinator  
Anita Keaton, Secretary, BPPVE Executive Office  
Leeza Rifredi, Office Technician, BPPVE Enforcement Program

#### **Not Present**

Barbara Ward, Bureau Chief

#### **Call to Order and Introduction of New Members**

The meeting was called to order by Mr. Dorais at 10:10 a.m. Roll was called and a quorum was established. Mr. Dorais welcomed the Advisory Committee and public attendees. The Committee members introduced themselves, and described their backgrounds, qualifications and interest in serving on the BPPVE Advisory Committee.

#### **Approval of Minutes for the Meeting of April 29, 2005**

Minutes from the April 29, 2005, meeting were read but could not be formally approved due to lack of a quorum of members who attended the April 25, 2005, meeting. Instead, Mr. Fuerst

moved, Mr. Gilmore seconded the motion, and members voted unanimously in favor of “accepting” the minutes.

Mr. Dorais introduced himself and the Department’s legal counsel, Kristy Schieldge. Mr. Dorais explained that he would host the meeting since the bureau chief, Barbara Ward, was not able to attend. Despite the resignation of former committee member Robert Dickerson, the Bureau was successful in recruiting five new members who represented schools, consumers and employers.

### **Confirmation of, and Agenda Items for, Future Meetings**

New agenda items suggested for the next meeting were: (1) the necessity to regulate schools approved in other states or countries, but actually being run from and operating in California; and (2) clarification of the requirements for students to obtain worker’s compensation vouchers. Mr. Fuerst also requested a discussion of the Monitor’s report, which was scheduled as an agenda item for the afternoon session.

### **Bureau Chief’s Update**

The Bureau’s unit managers, listed below, introduced themselves and provided a brief description of their qualifications and experience.

Jesus Jaime, Enforcement  
Jane Canty, Title 38  
Joanne Wenzel, Non-Degree  
DeLesa Swanigan, Administrative Support

Other Bureau staff attending the meeting was introduced. Sherry Mehl, Chief Deputy Director of the Department of Consumer Affairs (DCA) was introduced and explained that although DCA Director Charlene Zettel was unable to attend the meeting, she wished Ms. Mehl to express her appreciation to the members for their participation and contributions.

Mr. Dorais announced that all DCA offices located at 400 R Street would be moving to a new building in mid-December. An advisory letter will be provided as soon as new telephone numbers are available to remind all approved and registered institutions that information provided to students must be changed to reflect the Bureau’s new contact information. The information will also be posted on the Bureau’s Web site.

New street address:

1625 North Market Boulevard, Suite S-202  
Sacramento, CA 95834

Mailing address:

P.O. Box 980818  
West Sacramento, CA 95798-0818

### **Strategic Plan**

**Goal One: Strengthen efforts to protect consumer and student rights**

Mr. Dorais indicated that the Bureau had made extensive changes to the prior Enforcement and Compliance Unit. In the past, the activities had been viewed and organized as one operation. The Bureau has developed a new enforcement model and initiated a six-month pilot program that directs complaints to DCA's Complaint Mediation Program. A Bureau employee familiar with student complaints has been transferred to work on the pilot. The goal is to reach a timely resolution that is acceptable to both the complainant and the institution. The Enforcement function stayed within the Bureau and two Education Specialist positions have been redirected from another program to work on enforcement cases. There is now eight staff dedicated to the Enforcement Program.

Mr. Herrera asked if student complaints were now pooled with all other consumer complaints received by DCA, how complaints were tracked, how serious complaints received against bad schools were identified, and if serious allegations or repeated complaints spurred an investigation. Mr. Dorais responded that the pilot program has been set up to ensure that student protections are not compromised. Complaints are directed to staff that are familiar with student complaints and with the Private Postsecondary and Vocational Education Reform Act. Referrals are made to the Enforcement Program to investigate possible violations and the most serious allegations.

Moving the complaint intake and handling functions to the Complaint Mediation Program provides an independent review of complaints outside the Bureau and allows staff to work in an area dedicated to increased understanding and resolution of issues between the State's consumers and its regulated industries. Additionally, the time frame for closing complaints has improved significantly. Previously, complaints often remained open for up to a year.

Mr. Herrera requested that the complaint pilot program be added to the agenda. Mr. Dorais agreed that a discussion of the program would be included as an agenda item for the next meeting.

Mr. Fuerst said that the Complaint Mediation Program had notified him of a student complaint against his school. He stated that the complaint was resolved by a conference call that included school staff, Complaint Mediation staff and the student. He felt that it was a positive experience and that the Bureau should adopt the procedures.

Mr. Dorais responded that the pilot program procedures were developed in response to comments received from the December 31, 2004, Pre-Notice Workshop and are the basis of proposed regulations on Complaint Handling and Disclosure Procedures, which are being finalized for submittal to the Office of Administrative Law.

## **Goal #2: Improve the Bureau's institutional approval process**

In May 2005, the Bureau initiated a backlog reduction plan for non-Degree and Degree applications for reapproval. At that time, there were 233 non-Degree reapprovals backlogged; in November 2005, only 109, or 46 percent, were still pending. Further, since January 2005, 132 program additions have been processed with a current backlog of about 20. The number of new applications pending approval has also been reduced.

The Degree Program had 68 backlogged site visits; 16 have been completed to date. A lack of resources has been a problem in this area. A question was asked about the status of degree granting institutions that received temporary approvals but did not receive site visits within the allotted time.

Mr. Dorais stressed that incomplete applications are part of the reason for the backlogs. The Bureau is developing workshops to educate consultants and industry members in the application process. Workshop information will be posted on the Bureau's Web site. Committee members will receive information on the status of the backlogs at future meetings.

### **Goal #3: Enhance relationships with stakeholders**

The Bureau's recently named liaison with the Attorney General's Licensing Division was introduced to the committee. Ms. Aspasia Papavassiliou will be working with the Bureau's licensing units, advising the Bureau regarding enforcement actions, and reviewing complex legislation.

Other efforts to enhance relationships include increased communication with the Accrediting Commission of Career Schools and Colleges of Technology (ACCSCT), meetings with the Western Association of Schools and Colleges (WASC) and the California Postsecondary Education Commission (CPEC), and training conducted by the Attorney General's office. Bureau Chief Barbara Ward is attending the upcoming California Association of Private Postsecondary Schools (CAPPS) conference in San Diego and Bureau personnel from Degree, Non-Degree and Enforcement Programs will hold workshops for the attendees. Outreach to high schools began in the spring of 2005. Ms. Ward and Mr. Dorais met with other regulatory agencies to develop strategies to streamline procedures. There are Memoranda of Understanding (MOU) that have been established with other regulatory agencies.

Mr. Herrera asked if the Bureau wanted input or expected participation from the Advisory Committee in reaching any of its Strategic Plan goals. The discussion that followed determined that the relationship between the Advisory Committee and the Bureau is a "work in progress" and will develop and change over time. The Committee's input provides valuable insight from all areas of the education community. Committee input will always be considered in forming or modifying the Bureau's policy and goals. The Committee's questions and comments will be provided to the Bureau through its publicly noticed meeting; however, members are welcome to call, email or come by and should feel free to contact the Bureau prior to the meetings.

Mr. Herrera invited the Bureau to attend again the Evan Consumer Fair in Los Angeles during National Consumer Protection Week in February 2006. It is an annual event hosted by the Los Angeles County Office of Consumer Affairs. He stated that approximately 12,000 students are likely to attend.

### **Goal #4: Enhance the Bureau's organizational structure**

The Bureau enhanced its organizational structure during the summer by reorganizing the former Enforcement and Compliance Unit. Staffing of the Title 38 Program also was increased and the unit is now equipped to fully meet its contractual obligations to assist veterans seeking educational services from public and private schools.

### **Goal #5: Improve the Bureau's information technology reporting and tracking capabilities.**

Two new information technology staff has been hired by the Bureau to provide support and work with staff to develop enhancements to the Schools Automated Information Link (SAIL), the Bureau's information technology system. Currently, SAIL's capabilities in priority areas such as

revenue collection and completion/approval rates are being reviewed. An overview of the plan of improvement and a more detailed discussion will be scheduled for another meeting.

Robert Johnson of the California Association of Private Postsecondary Schools (CAPPS) commented that the Strategic Plan originally included completion dates, which were published in CAPPS' newsletter. He requested that the Bureau provide current dates associated with its goals.

## **2. Project to Eliminate Application Backlogs**

Mr. Dorais indicated that this issue had already been presented under his update on the Strategic Plan (see above).

## **3. PROANDI Conference**

Bureau Chief Barbara Ward attended the PROANDI conference in Oklahoma City. Regulators from numerous states attended and topics under discussion focused on institutions that offer courses leading to a degree.

### **Legislative/Regulatory Update**

Mr. Dorais gave a presentation on the Bureau's two pending regulatory packages, one for registered institutions and the other on complaint handling. Robert Johnson indicated that CAPPS' position was that the Bureau should complete its submittal of proposed regulations on complaint handling by the end of the year.

Mr. Johnson indicated that changes in the definitions of registered educational services included in SB 1544 have created confusion in the industry and that CAPPS is receiving calls about how to apply for registration because the registered application has been removed from the Bureau's Web site. He asked about the status of the proposed regulations. Mr. Dorais responded that the proposed regulations were being finalized for submittal, and would clarify the definitions of the types of registered programs, define a fee schedule, and that a new application is included in the package. He asked Mr. Johnson to direct questions to the Bureau's Joyce Leslie, who would respond and provide applications as needed.

### **Enforcement Update**

Jesus Jaime addressed the Committee about the Bureau's Enforcement Program. Education specialists are now part of the program, which previously was not the case. This move is expected to free up Degree and Non-Degree Program staff to work on licensing tasks. The enforcement unit will work with both consumers and institutions to define criteria for addressing and investigating consumer allegations. Enforcement staff will receive training in areas such as Federal financial aid and investigating allegations. In six months, students and schools will be surveyed to determine the level of satisfaction provided by the transfer of complaints to DCA's Complaint Mediation Program.

Dr. Horn asked how a student complaint resulted in an investigation. Mr. Jaime responded that the initial complaint is reviewed and screened for possible mediation, which encourages direct contact between the student and the school. He stated that if a complaint cannot be mediated, and there appears to be a possible violation, the complaint is referred for investigation.

Investigations can also be triggered by a pattern of complaints against a school or by serious allegations such as fraud.

Mr. Herrera asked what type of mediation is provided, what type of investigation takes place if a complaint is referred, and what type of business practices are investigated and if student terminations and/or refunds were mediated. He stated that, along with health and safety violations, quality of education is a continuing problem and is often caused by unqualified faculty.

### **Discussion on Bureau's Web Site**

Mr. Achenbach, who was unable to attend the meeting, had expressed interest in having the Committee discuss school information provided on the Bureau's Web site in its "Directory of Institutions". His concern, as conveyed by Dr. Horn, is that only geographic locations are included in the listings, which therefore do not address distance learning. He felt that the directory should be revised and updated to provide information on all educational programs being offered by the institutions.

Mr. Johnson indicated that the information included in the directory is general and unspecific. Dr. Sundberg agreed and stated that the legal authority of the institution's approval (i.e., degree granting, vocational, registered, etc.) should be included in the directory.

Dr. Bear expressed concern in regard to the Bureau's "Closed Schools" area on its Web site. He stated that the site listed only four closed schools, which were not recent closures. He stated that the Web site should reflect all closures and when they happened.

Mr. Herrera stated that the Web site was a great tool and that meeting could enhance its usefulness with stakeholders to make the site more responsive to their needs. He suggested that a page requesting suggestions from attendees could be included in the Bureau's handouts at the CAPPS conference in November. Dr. Sundberg suggested listing MOU's on the Web site.

Mr. Johnson offered to include an article in CAPPS' newsletter. He suggested that the "Closed Schools" area of the Bureau's Web site would be more useful to institutions and students if it listed both unplanned and planned closures. He explained that planned closures, such as mergers, acquisitions and changes of ownership could seem like closures. He again offered the CAPPS newsletter to get information to the education community.

Mr. Gilmore indicated that the online forms included on the Bureau's Website were a great improvement. He asked if the application itself could be offered online, and asked if the Bureau intended to eventually allow applications to be submitted online.

Melissa Thompson of Ex'pression College of Digital Arts requested permission to address the Committee. She commented that in her experience the Bureau's Web site was difficult to use. She also stated that the Bureau provided incorrect information and she did not feel that the Bureau had made progress.

### **Lunch Break**

The meeting broke for lunch at 12:15 p.m. Mr. Dorais reconvened the meeting at 1:23 p.m. He said that a message had been received from committee member Norma Ford, who would not be able to attend any part of the meeting.

### **Discussion and Election of Advisory Committee Chair and Vice-Chair**

Mr. Dorais announced that time had been scheduled for the committee members to elect a chairperson and vice-chairperson. The responsibilities of the chairperson were to host the meetings, facilitate discussions, solicit the members for agenda items and serve as the liaison between the committee and the Bureau. Bureau staff would continue to provide a meeting room and take and publish minutes of the meetings. Ms. Schieldge indicated that the chairperson was also responsible for the formation of sub-committees of no more than two persons to review information and provide input to the Advisory Committee.

Mr. Herrera indicated that he felt the committee should not elect a chairperson and vice-chairperson until more members were present. Dr. Bear asked what would be the term of the chairperson and vice-chairperson. Mr. Dorais responded that the Education Code did not set a term limit. He suggested that the committee could address that issue.

Mr. Fuerst moved, Mr. Herrera seconded and members voted unanimously that the chairperson and vice-chairperson would serve one-year terms. The members asked whether the Bureau had received an indication of interest from any member not present at the meeting. Mr. Dorais responded that no one had communicated a desire to act as chairperson, although the Bureau had not solicited volunteers. Mr. Gilmore suggested that members interested in serving should declare their interest and asked whether all members would serve if nominated. The committee determined that the election should wait until the next meeting in early January, when it was assumed that most of the members would be in attendance.

### **Notice of Publication and Overview of Report from BPPVE Operations and Administrative Monitor**

Mr. Dorais initiated a discussion of the Initial Report of the Operations and Administrative Monitor. Appointment of a monitor was required by SB 1544 (Chapter 740, Statutes of 2004) in order to review the Bureau's overall operations and produce a report of the findings. The initial report is complete and has been provided to the Legislature. It includes 77 recommendations and will be a part of the Bureau's Sunset Review hearing in December 2005. Most of the members needed more time to thoroughly review the report. The Bureau agreed to provide a hard copy to all of the members.

Mr. Herrera commented that he was looking forward to comparing the Monitor's report with the Bureau's Strategic Plan. The members determined that their comments would be most useful to the Bureau if provided as the report's recommendations were reviewed and procedures developed. In response to a question from Dr. Horn, Mr. Dorais explained that the Bureau was reviewing and setting priorities in regard to implementing some of the Monitor's recommendations on non-statutory issues. The status of the report and implementation of the recommendations will be scheduled as an ongoing agenda item. Detailed information will be provided to the Committee regularly.

Dr. Bear asked if he could communicate directly with the Monitor or if he should direct comments through the Bureau. Ms. Schieldge reminded the Committee members that all of their communications on agenda items for the committee are subject to the requirements of the

Open Meeting Act. Dr. Horn asked why no input was solicited from the Advisory Committee, and Mr. Herrera wanted to know whether the Monitor had provided comments regarding the role of the Committee. Mr. Dorais indicated that he would forward the questions to the Monitor.

Mr. Johnson stated that CAPPS agreed with the Monitor's recommendation that the Reform Act should be completely rewritten. He indicated that recent attempts to improve the Act with legislation had resulted in making things worse rather than better. He indicated that CAPPS intended to formally recommend rewriting the Reform Act to the Legislature.

It is understood that California Postsecondary Education Commission (CPEC) will also provide comments to the Legislature in response to the Monitor's report. It is CPEC's intent to place private postsecondary education in a statutory and regulatory framework that is functional and fair.

#### **Public Comment for Items Not on the Agenda**

There was no request for discussion of items not on the agenda.

#### **Adjournment**

The meeting was adjourned at 2:48 p.m.